

H I G H L I G H T S
WEEK ENDING: OCTOBER 11, 1991

INDUSTRY WEEKLY VOLUME

- This week's volume of 8.4 billion units was -1.3 billion units or -13.5% below the industry's estimated seasonally adjusted going rate, +10.9% higher than projected. Sales reflect inventory depletion from third quarter trade programs offered by PM, RJR and Liggett.

PM WEEKLY VOLUME & SHARE

- This week's volume of 2.6 billion units was -37.5% below PM's seasonally adjusted going rate, +1.2% above the weekly projection. Sales were impacted by inventory depletion from the Fall Inventory Maintenance Program. Moreover, last year's results were influenced by F.E.T. uncertainty, with accounts slower to exhaust their third quarter 1990 excess inventory.
- Collectively, the trade exhausted an estimated 1.6 billion excess units this week, with approximately 3.2 billion excess units remaining from the third quarter.
- Among the top 100 accounts, 73 purchased significantly below normal this week, buying less than 80% of their estimated going rate.
- PM's weekly share of 31.4 was significantly below normal and -8.6 points below the corresponding week year-ago, with weekly results continuing to be distorted by varying program terms offered from year-to-year. On a Y-T-D basis, PM's share advanced by +1.0 points to 42.7% of total industry.

DEVELOPMENTS

Philip Morris

- Effective with 10/14 shipments and continuing until further notice, PM will limit accounts to 130% of an average week on all segments except test brands and FVB. Test brands will be limited to reasonable quantities.
- Infoscan supermarket data through the W/E 9/22 indicate that total Marlboro's share advanced by +0.2 points versus week ago to 20.4% (driven primarily by Red), while Medium's share remained stable for the fifth consecutive week at 1.3 points.

Competitive

- RJR's weekly volume of 2.2 billion units was significantly above forecast (+24%) with their performance likely benefiting from introductory volume of eight new packings of Sterling.
- Reynolds began shipments of Winston Ultra Lights Box with the "wrap" packaging, completing their conversion to the new packaging for the entire franchise.
- RJR altered its Camel Lights Kings Soft and Box packaging with the bottom portion of the pack now featuring a tan tint and the words "Smooth Taste, Low Tar". Previously there was a white background and the words "Low Tar, Camel Taste". Additionally, the new packaging replaces a graphic of a Camel on the back panel with wording similar to that found on the Full Flavor versions.
- Sterling packaging has been modified with a slight color change and the word "premium" removed from the front of the pack.
- Brown & Williamson will begin shipments of Kool to the Richmond market on 10/18 with package changes believed to be consistent with those currently being tested in Cleveland. In Richmond, Kool will be supported with a test advertising campaign featuring a cartoon penguin.
- Effective 11/1, Lorillard will introduce two packings of Spring Lemon Lights into at least two counties in Pennsylvania. The brand had previously been tested in several different markets including Milwaukee, Hartford and Arizona (discontinued 1/91).
- Audits in maxi volume outlets (selling at least 3,000 CPW) through the W/O 9/30 indicate that:
 - Viceroy continues to expand coverage of \$5.00 coupons to 40% of outlets, up from 32% the W/O 9/16.
 - Magna & Sterling had strong coupon support with \$1.75 discounts offered in 41% and 33% of outlets respectively.

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